

Linnell, A. J.

Louisville Advertisements.

B. F. BAKER & CO.,
 MAIN STREET, LOUISVILLE, KY.

174. MARKET STREET, LOUISVILLE, KENTUCKY.
 WHOLESALE DEALERS IN
 BOOTS.

J. F. BAKER, J. S. WHITNEY, J. LOW.	SHOES, AND BROGANS.
---	------------------------

Office, No. 7. Blackstone Street, Boston.

L. I. SHIREVE & CO.,
 MAIN STREET, BETWEEN FIFTH AND SIXTH STREETS,
 LOUISVILLE, KY.

IMPORTERS OF Hardware, Cutlery, Steel, &c.; Manufacturers
 of Iron Nails and Steel, and Dealers in American Hardware
 of all descriptions.

January 1, 1846

* WHOLESALE DRY GOODS.

The subscribers are constantly receiving new and desirable
 Goods, and have now on hand,

5,000 Pieces Newest Style

January 1, 1946

WHOLESALE DRY GOODS.

THE subscribers are constantly receiving new and desirable Goods, and have on hand,

5,000 Pieces of the newest Style

FANCY PRINTS; together with a good assortment of Cotton and Worsted Goods, suited to the season, which they will sell at the lowest market price. They respectfully invite Country Merchants to call and examine their stock.

January 1946 **BANFOITH, LEWIS & CO.,**
414, Main Street, Louisville, Ky.

AND COMMISSION MERCHANTS
AND DEALERS IN

DRY GOODS—LOUISVILLE, KENTUCKY.
CONNECTED with *Kellows, Johnson & Co.*, Commission and
Forwarding Merchants, New Orleans. Cash advances made
on shipments to either house. January 1, 1846

BAINBRIDGE, CARUTH & BAILY,
No. 462, Main Street, Louisville, Ky.

100, MAIN STREET, BETWEEN FIFTH AND BULLITT STREETS,
LOUISVILLE, KY.,
IMPORTERS of Hardware and Cutlery, and Dealers in American
Hardware, Castings, Iron, &c. January 1, 1846

QUEENSWARE AND CHINA, AT N. YORK
PRICES.

A CARD FOR 1846.

COUNTRY MERCHANTS who are in the habit of purchasing their queensware and China in the Eastern Cities, would do well to bear in mind that they have now a chance of saving from \$12 to \$15 per crate, by making their purchases of the subscrib-

ers in Louisville. We are the first in the *Western country* to offer these Goods at eastern prices, without carriage, thereby making a saving of all freights and charges to Western merchants, being about \$12 to \$15 per crate, as also the loss of time in getting their goods. We have taken particular care to find out the lowest eastern prices, and will here give a sample, viz: 3 quart White Granite, or any colour Hexagon Pitchers, \$4 50 per dozen; Twelves, or 6 inch plates, White Granite, or any colour, 75 cents

per dozen; Painted Teas 10 cents per set, and 50 sets to \$100, or one set to every \$2 of bill. Every article in the line proportionably low. Our stock will be very full and complete in February.

January 1, 1886

McINTIRE & BROTHER,
Louisville, Ky.

AUCTION SALES.

MAIN STREET, BETWEEN FIFTH AND SIXTH STREETS,
LOUISVILLE, KY.,
BY THOS. ANDERSON & CO.,
REGULAR SALES.—T. Anderson & Co. have sales at Auction regularly every Thursday morning, consisting of DRY GOODS, GROCERIES, HARDWARE, CUTLERY, &c.
Liberal cash advances made on Goods consigned to them for sale by order.

sale. Regular Weekly sales throughout the year every Thursday.
 January 1, 1946

JARVIS & TRABUE,
 WHOLESALE DEALERS IN
 FRENCH, ENGLISH, ITALIAN, AND AMERICAN STAPLE
 AND FANCY GOODS,
 LOUISVILLE, KY.

January 1, 1945
 CORNER OF MAIN AND THIRD STREETS,
 LOUISVILLE, KY.
RUPERT & LINDENBERGER,
 LOUISVILLE, KENTUCKY.
 NOW HAVE, and shall continue to have, one of the most ex-
 tensive stocks to be found in the Western country, compris-
 ing a general assortment of

DRUGS, MEDICINES, PAINTS, OILS,
Dye-Stuffs, Window Glass and Glass Ware, Tobacco and Spices, with a great variety of other Goods, many of which they import directly, purchased exclusively for Cash; to which they invite the attention of Merchants, Druggists, Physicians, Manufacturers and Dealers generally—prices very low for CASH.
If You wish to Produce of all kinds, or the usual time to punctual

men, January 1, 1846

J. B. WILDER & CO.,
WHOLESALE DRUGGISTS,
NO. 448, MAIN ST., BETWEEN FIFTH AND SIXTH CROSS STREETS,
(Sign of the Golden Mortar.)
LOUISVILLE, KY.

REMOVAL.—We have moved to the large and commodious Warehouse recently built by us, No. 448, Main, between 5th and 6th cross streets, where we shall be happy to have a call from our old friends and customers, and buyers generally, and where we can offer them decidedly the largest and best assorted stock of Drugs, Medicines, Paints, Oils, Tobacco, Window Glass, Apothecaries' Shop Furnishings, &c.

and at prices much below what these articles have usually been sold at in this country. The very exorbitant prices at which these articles were sold at in the large cities in the West, was a subject of complaint for many years; we were the first to reduce these prices, and the large patronage that we have received during the past seven years, is ample testimony of this fact; and to those who are disposed to buy goods at the lowest rates, we

Can you give us your patronage and we will certainly give you
 full satisfaction.
 J. B. WILDER & CO.,
 January 1, 1946 No. 418, Main street, Louisville.

HAIDEN T. CURD,
Wholesale Grocer, and Forwarding and Commission Merchant,
 415, MAIN, BETWEEN 5TH & 6TH CROSS STREETS,

CASH PAID FOR FEATHERS, Flaxseed, Ginseng, Beeswax,
&c. &c. January 1, 1846

J. S. MORRIS & CO.,
WHOLESALE DRUGGISTS, LOUISVILLE, KY.
We keep constantly on hand, a very extensive assortment of

Drugs, Medicines, Patent Medicines, Indigo, Madder, and all kinds of Dye Stuffs, Paints, Oils, Varnishes, Brushes, Glassware, Window Glass, Virginia and Kentucky Tobacco, Snuff, &c. which we purchase for cash from the Importers in New York and Boston, and are determined to sell at a very small advance for cash, or on the usual terms to punctual dealers.

Gunpowder, Beeswax, Feathers, Flaxseed, Lard, any other country produce received in exchange. January 1, 1846

WATCHES, JEWELRY, LAMPS & FANCY
GOODS.

THE subscriber has just received a splendid assortment of
RICH AND FASHIONABLE JEWELRY, &c., consisting in
part, of fine Gold and Silver Lever Watches; fine gold Guard and
Fob Chains and Fob Rings, &c.

Pen and Balls and Keys; Flax, Cambr, Topaz, all in cruet necks and Bracelets; fine Diamond and Green Finger Rings; Ear Rings; Gold and Silver Pencils; Diamond pointed Gold Pens; Plated and Britannia Ware; Silver Ware; fine Cutlery; Cornelius and Co's, Solar Lard Lamps; Girandoles, and a general assortment of Watch Makers' Tools and Materials; Military Goods, Musical Instruments; together with a great variety of Fancy and Staple Goods—all of which will be sold wholesale or retail, at

greatly reduced prices.
 Watches repaired and warranted for one year.
 Old Gold and Silver taken at the highest price, in exchange for Goods.
 HENRY FLETCHER,
 No. 463, Main street, between Fourth and Fifth.
 January 1, 1846
 LOUISVILLE.

JACOB KELLER

JACOB KELLER,
WHOLESALE GROCER, COMMISSION MERCHANT AND
WHITE LEAD MANUFACTURER.
NO. 515, MAIN STREET,
LOUISVILLE.
January 1, 1846

NO. 474, MAIN STREET, LOUISVILLE, KENTUCKY.
IMPORTER AND MANUFACTURER
OF all kinds of Tobacco and Cigars, solicits the attention of
Country Merchants and dealers generally, visiting the city,
to give him a call before purchasing elsewhere.
January 1, 1946

JOHN T. BROOKS & CO.,
LOUISVILLE, KY.

THE subscribers respectfully announce to the citizens of Louisville and the public generally, that they are now prepared to manufacture all kinds of Machinery at their Foundry, on Main, below Ninth street: such as Steam Engines, of superior quality; Cotton, Woolen, Hemp, or Experimental Machinery of every de-

cription; all kinds of Blacksmith Work; Castings of every kind, such as Wagon Boxes, Pan Wheels, Plough Moulds, Mantle and Window Grates; all kinds of Window and Door Lintels; Light and Fancy Fences made and set up on the most reasonable terms; Grate Bars for Steam Boats and other Furnaces of improved patterns; and all kind of Brass Work made to order; Brass Castings; Spelter; Solder; Copper Rivets, &c.

JOHN T. BROOKS & CO.
 Cash paid for old Copper, Iron and Brass. January 1, 1846
 McLEAN and BACON,
 WHOLESALE GROCERS, COMMISSION & FORWARDING
 MERCHANTS,
 NO. 440 MAIN, BETWEEN 5TH AND 6TH CROSS STREETS.

January 4 1845 LOUISVILLE, KY.

GOVERNOR'S MESSAGE.

Gentlemen of the Senate,
and House of Representatives:

Permitted by the favor of Providence to assemble for the purpose of executing a highly important trust, we cannot begin in a manner more becoming than by acknowledging our dependence on Him, "from whom all good counsels and just works proceed," and invoking His blessing that we may be enabled to bring our labors to result beneficially to the people we represent.

The past year has just terminated without any extraordinary and unexpected change in the condition of the Commonwealth. At the date of my annual Message to the last General Assembly, the State was indebted to the Education Fund:

5 per cent. bonds, - - - - -	\$50,000
6 per cent. bonds, - - - - -	67,000

Total amount of bonds, - - - - -	\$117,000
Interest unpaid on said bonds up to January, 1845, - - - - -	198,430

Total, principal and interest, - \$1,115,430
These bonds were held by the Board of Education. As required by an act of the last Legislature, these bonds were cancelled and burnt, in August last, in presence of the Secretary, Second Auditor, and Treasurer. But duplicate lists of the bonds were previously made out and signed in the manner required by the act, one of which was delivered to the Secretary and the other to the Second Auditor, and by them recorded in their respective offices. At the same time was delivered to the Board of Education, a copy of the lists, made and authenticated as required by the act. That copy is now held by the Board as an evidence of the obligation of the State to the Education Fund.

Two bonds of the State for \$10,000 each, which were held by the Commissioners of the Sinking Fund, have been surrendered by them, and cancelled and burnt as required by the same act.

In the course of the past year, thirty years bonds have been issued, as follows:

In exchange for Railroad bonds, for which the State was guarantor, - - - - -	\$150,000
In exchange for six years bonds, - - - - -	24,000
To repair Lock and Dam No. 1, on the Barren River, as required by an act of the last Legislature, - - - - -	10,000

Total amount issued, - - - - -	\$184,000
--------------------------------	-----------

And during the same time there have been withdrawn from circulation and cancelled, bonds of the State, as follows:

Railroad bonds, for which the State was guarantor, - - - - -	\$150,000
Six years State bonds, for which thirty years bonds were exchanged, - - - - -	24,000
To Board of Internal Improvement have also cancelled six years bonds to the amount of \$17,000, which were received by them from the Lessees of the Railroad for rent prior to 1845, - - - - -	17,000
And there have been withdrawn from circulation and cancelled, one thirty years bond for \$1,000, and \$2,600 of six years bonds paid into the Treasury by the Lessees of the Railroad, in part for the rent of 1845, - - - - -	3,600

Total bonds cancelled, - - - - -	\$194,600
----------------------------------	-----------

These transactions place the debt of the State, at present, in a condition somewhat different from what it was at the time of my former annual Message. The State was then indebted for bonds she had issued and which were outstanding, \$4,269,000; and as guarantor for Railroad bonds, \$150,000; making together a debt of \$4,419,000. The State is now indebted for bonds issued in exchange for those Railroad bonds, and those issued for all other purposes, \$4,408,400. So that instead of an increase of the State debt, the gratifying fact is exhibited that during the past year, the debt of the State has been actually diminished \$10,600. The diminution of the debt will be greater, if we take into the account a further liability, which was unknown to me and consequently not noticed in my former Message, but which was at that time resting on the State, to redeem outstanding certificates, usually denominated *scrip*, which, by an arrangement with the Governor, were issued by the Northern Bank of Kentucky for purposes of internal improvement and to repair the Railroad, under an act of 3d of March, 1842. The Treasurer has received \$1,447 of those certificates or scrip, from the Lessees of the Railroad for part of the rent of 1845, and the same have been cancelled. There still remains \$1,056 of the certificates or scrip outstanding and to be redeemed by the State.

The debt may also be further reduced, if it shall be the pleasure of the Legislature to direct the cancellation of \$2,100 of six years bonds, which are held by the Treasurer for the benefit of the State. These bonds were purchased, by my advice, with money which had been paid into the Treasury under the act of the 18th of February, 1842, entitled, "An act to invest the Craddock fund." The money was lying idle in the Treasury and bearing interest against the State, and it was thought best to apply it to the purchase of State bonds which were also bearing interest, and thereby save the State from the burthen of double interest. Including the amount already received, there may be paid into the Treasury, of that fund, \$20,000; and it is submitted for your consideration whether provision should not be made for its appropriation to some productive purpose.

The present funded debt of the State, including every description of bonds heretofore issued and not cancelled, amounts, as before remarked, to \$4,408,400, and may be classified as follows:

5 per cent. bonds, payable 25 years after date, - - - - -	\$165,000
5 per cent. bonds, payable 30 years after date, - - - - -	450,000
6 per cent. bonds, payable 30 years after date, - - - - -	3,579,000
6 per cent. bonds, payable 6 years after date, - - - - -	100,400
6 per cent. bonds, (for repair of Rail Road,) payable 6 years after date, - - - - -	81,000
Money borrowed from Bank of Louisville, - - - - -	30,000

Total amount, - - - - -	\$4,408,400
-------------------------	-------------

To this amount should be added \$1,056 of the Railroad and Internal Improvement certificates or scrip, issued by the Northern Bank, still outstanding and redeemable by the State;—making the aggregate State debt, at present, \$4,409,456.

But in connection with this subject, it is proper to remark, that the State is in possession of means by which part of the debt might be extinguished, without burthening the people with taxation. The State holds in her own name

7,000 shares of stock in the Bank of Kentucky, - - - - -	\$700,000
2,500 shares of stock in the Northern Bank of Kentucky, - - - - -	250,000
And in the name of the Commissioners of the Sinking Fund, - - - - -	
400 shares of stock in the Bank of Louisville, - - - - -	40,000
2,399 shares of stock in the Bank of Kentucky, - - - - -	239,900
400 shares of stock in Northern Bank of Kentucky, - - - - -	40,000

Total amount of Bank stocks, - - \$1,270,500
This sum deducted from the entire amount of debt, as above stated, leaves \$3,138,956, which may be considered as the actual burthen of debt on the State. But when we consider that, to meet this indebtedness, the State has a very large amount of stock in the various turnpike roads, and owns the entire Kentucky and Green River Navigation, which are yearly becoming more productive to the State, and therefore more valuable; and that the State also owns the Railroad, which is in successful operation, and yielding a handsome rent to the State—it will be seen that the indebtedness may be considered as greatly diminished by these vast assets, and all fears of oppression of the people, by reason of their State debt, dismissed as groundless and illusory. This gratifying fact furnishes a conclusive answer to such persons as are disposed to reproach those who were instrumental in carrying out the internal improvements which are adding so much to the wealth, convenience and comfort of the people.

The means appropriated by law to that purpose were sufficient to pay the interest of the public debt for the fiscal year ending the 10th October, 1845. The interest is payable semi-annually, and much the greater portion on the first of January and July, in each year, in the city of New York.

The Commissioners of the Sinking Fund, to whom payment is entrusted, placed in the Bank of America, at New York, in due time, funds adequate to pay the interest that became payable at that place, on the first of January and July last, and they have remitted to that Bank sufficient funds to pay the January instalment of interest in 1846. The last two payments of interest have been made without anticipating any means of the Sinking Fund which had not been received by them; and it is confidently believed that the means of the fund will enable them to be equally punctual in the payment of interest in future. Looking to the past, nothing is discovered to excite apprehension that the receipts of the Sinking Fund will diminish; but, on the contrary, we have reason to anticipate an increase in those receipts in future.

A greater amount will probably be received in dividends on stock in the Bank of Kentucky, and there is no likelihood that less will be received on dividends of stock in the other Banks. The receipts of toll from the turnpike roads and river navigation are increasing, and will likely continue to increase. The receipts into the Treasury from turnpike roads for the fiscal year ending the 10th Oct., 1843, amounted to \$13,502 08. The receipts from the same source for the fiscal year ending the 10th Oct., 1844, amounted to \$18,805 01. And the amount from the same source for the fiscal year ending the 10th Oct., 1845, amount to \$21,869 41. The receipts into the Treasury from the Kentucky River Navigation for the fiscal year ending the 10th Oct., 1843, amounted to \$3,900. The receipts from the same source for the year ending the 10th Oct., 1844, amounted to \$10,763 45; and for the year ending the 10th Oct., 1845, they amount to \$17,241 15. In their transit to the Treasury, the tolls on the Kentucky river, at present, pass through the Board of Internal Improvement; and the gross receipts of the Board for the years ending the last of December in 1843, 1844, and 1845, show a still greater increase. The gross receipts for the year ending the last of December, 1843, amounted to \$7,852 49; in 1844, \$19,044 34; and in 1845, they amount to about \$34,000.

We should, however, be exceedingly careful not to do any thing by which any portion of the present resources or means of the Sinking Fund may be withdrawn or applied to other purposes. It is upon that fund we rely to pay the interest on the State debt, and it is only by fostering the resources and applying the means of the Sinking Fund to the punctual payment of interest, that we can sustain the present deservedly high credit of our State—a credit not to be mentioned without exciting emotions of exultation and pride in the breast of every lover of his country. It is a pleasing reflection that throughout the party strifes and conflicts by which the country has been frequently agitated, the love of justice has been sufficiently strong to hush the voice of repudiation and bring together and unite all in one harmonious party, animated with equal zeal and fixed determination to maintain the good faith and exalted credit of the State.

But whilst we avoid encroaching upon the Sinking Fund, it is due to the people we represent that we guard with watchful vigilance against wasteful or extravagant expenditure of its means, and afford all necessary facilities to enable the Commissioners, to whom the management of that fund is entrusted, to apply its resources and means to their legitimate purpose, without incurring as much cost as they have hitherto been compelled to suffer. This might be done by giving power to the Commissioners to deal in bills of exchange. It may be that by implication such a power is derivable from the law by which they were incorporated, and the duties which the Commissioners are required to perform. But it is much more desirable for them to have the explicit sanction of the State in a matter so important, than to be left to derive authority for their action by doubtful construction or implication. With such a power, the means of the fund might be profitably used in the purchase of bills, and through their instrumentality, suitable funds transmitted to the proper place to pay interest, with a saving of the exchange, which, in times past, has been paid, and which has, so far, averaged more than \$2,000 per year.

The accounts of the Sinking Fund now pass through the offices of the Auditor and Treasurer, as required by an act of the last Legislature, and from the reports which will be made by those officers, and the report of the Commissioners of the Sinking Fund, you will be put in possession of full information as to the transactions of the Commissioners in the past year, and the present condition of the fund.

Shortly after the adjournment of the last Legislature, Thomas Porter and George B. Kinkead, Esqrs., were commissioned, under an act of the 10th of February, 1845, to audit and settle the accounts of the President of the Bank of the Commonwealth, and to audit and settle the accounts of the Sinking Fund. It was afterwards found impracticable for Mr. Porter to devote the time and service necessary to a faithful discharge of all the duties required by the act; and he accordingly resigned his commission. Whereupon, H. J. Bodley, Esq., was commissioned to supply his place. Messrs. Kinkead and Bodley entered upon their duties in September last, and after some months of patient and laborious investigation, brought their labors to a close—a full statement of which, embodied in their report, will be laid before you.

The Second Auditor's report, with which you will be furnished, contains a full and lucid statement of the financial condition of the State, and the resources by which the expenditures of the Government, in the present year, are to be discharged. The receipts into the Treasury were ample to pay all the demands which were made against it throughout the fiscal year, ending the 10th of October, 1845, and according to his present report, the receipts will be sufficient to enable the Treasury to discharge the claims which may probably come against it, in the present year. There was received into the Treasury, in the fiscal year ending the 10th Oct. last, \$354,094 16, which, added to \$1,114 40 in the Treasury the 10th of October, 1844, make the amount of \$355,208 56. And there was paid by the Treasury, in the same time, \$362,364 10, which,

deducted from \$395,808 46, left in the Treasury on the 10th October, 1845, a balance of \$33,444 36.

It is expected by the Second Auditor that there will be received into the Treasury, in the fiscal year ending the 10th October, 1846, \$363,462 61, which, added to \$33,444 36, remaining in the Treasury the 10th of October, 1845, make the sum of \$396,906 97. And the expenditures for the same year are expected to amount to \$377,064 20, which, deducted from \$396,906 97, the amount of expected receipts, leaves a balance of \$19,822 57, expected to be in the Treasury on the 10th of October, 1846.

The report of the Second Auditor exhibits an increase of about five per centum in the tax receivable on property listed by the Commissioners of Tax in the year 1845, above what it was on property listed in the preceding year; and the increase, I am satisfied, would have been much greater if the duties of taking in the taxable property had been, in many cases, conferred on more competent Commissioners, and performed by them with entire accuracy. It is perfectly apparent that many of the Commissioners are destitute of the necessary qualifications to discharge correctly the duties enjoined upon them by law, and it is much to be lamented that the public interest should be brought to suffer from the ignorance of agents selected as Commissioners of Tax too frequently without regard to their qualifications or fitness for the station. It will give me great pleasure to unite with the Legislature in any constitutional measure which may, in their wisdom, be devised to remedy the evil and prevent its recurrence in future.

It may not, in this place, be inappropriate to make a suggestion or two in reference to the collectors of the public revenue. Sheriffs, at present, are entitled to a commission of seven and a half per centum on the amount of revenue collected by them, and they are required to make payment into the Treasury of the amount to which the State is entitled, against the first day of December annually. Were payment always made promptly by Sheriffs, the Commissioners of the Sinking Fund would be relieved of the necessity which, on former occasions, they have frequently been under, of anticipating their receipts in order to meet the January instalment of interest on the State debt.

But it not infrequently happens that payment is not made into the Treasury by Sheriffs until even after the first of January. I suggest it, therefore, as advisable to reduce the commission of Sheriffs to five per centum, and authorize the Second Auditor and Treasurer to allow a premium of two and a half per cent. to all Sheriffs who shall make full payment against the fifteenth day of December annually. Something like this would, I am satisfied, stimulate the Sheriffs to greater punctuality in payment, and place the Sinking Fund in more easy circumstances.

In looking over the report of the Second Auditor, his statement in reference to the expenditure for the support of idiots will claim your attention. It appears that from 1820 to 1845, inclusive, there has been paid out of the Treasury the sum of \$339,571 43, for the support of idiots—numbering four hundred and fifteen in 1844, and four hundred and fifty in 1845. Whilst some of the counties have no idiots other than run up as high as twenty-three; and the whole number of idiots, more than one-third reside in twelve counties of the ninety-nine in the State. The report does not give the number of idiots in 1820, but it gives the amount of money paid out of the Treasury for the support of idiots in that year, and in each succeeding year up to, and including, 1845. And there seems to have been a gradual increase each year, up to 1840, at which time the amount paid out of the Treasury was double the amount paid out in 1820. The next year the amount sunk high four thousand dollars below what was paid in 1840, but since then, there has been an increase in each successive year, until the amount has run up to \$17,500 62, a little above the sum paid out in 1840.

From these facts the conclusion is inevitable that abuses have sprung out of the administration of the present law, and that part of those reported idiots from some of the counties and supported out of the Treasury, are not in truth, such. Having come from every part of the State, your better knowledge as to whatever concerns your respective counties, will likely enable you to reflect more light upon this subject, and, upon full examination, to adopt such measures as may guard the public interest against abuses in future.

Other subjects have equal claim to your consideration. In the lucid report of the Second Auditor you have exhibited a statement of the various expenditures of the government; each and all of which deserve your strict scrutiny. And if any of the purposes of expenditure be inexpedient, unwise or useless, or if they be wasteful or extravagant, the evils should be corrected and their recurrence prevented. The people will cheerfully, at all times, supply the means which may be necessary to a just and economical administration of the government, made for their benefit; but they would unwillingly have their money wasted on useless objects or squandered in extravagant expenditures. The government can only be administered by agents with duties to perform and whose labor ought to be liberally rewarded. But neglected labor ought not to be rewarded, nor should there be any useless agents or any whose services may be dispensed with without prejudice to the public weal. The people want no drones in office, nor such as wilfully fail or neglect to discharge the duties entrusted to them, and are prompt in nothing but drawing their salaries.

The President of the Bank of the Commonwealth is desirous to relinquish that office, the duties of which have long been discharged by him with great fidelity and ability. "The business of the Bank has been for years past in progress of liquidation and, in the opinion of its President, may be brought to a close through the instrumentality of some one of the public officers. No one of these officers is better qualified, and none to whom the closing up of the business could be more easily entrusted, than the present First Auditor. And I would suggest for your consideration, the propriety of having the papers, books and accounts transferred to that office, and the business of the Bank hereafter transacted and the accounts kept in that office. The proceeds of the Bank now constitute part of the Sinking Fund, and there seems to be a peculiar fitness in having the business transacted and the accounts of the Bank kept in the First Auditor's office, where all the accounts of the Sinking Fund are required by law to be kept. The interest of the public would not be injured, I apprehend, by the change, and the business would be transacted by the Auditor at a diminished expense to the State. It may be expedient to confer authority on the Commissioners of the Sinking Fund, or upon the Auditor, with the advice and consent of the Commissioners, to settle by compromise, or otherwise, any claims which the Bank has, at present, against any persons or corporations.

The President of the Board of Internal Improvement has likewise indicated his determination to resign his office during the present session. In times past, the duties of that office were complicated and highly important; and it was fortunate for the State that they were entrusted to one so eminently qualified for their discharge, by his long experience, extensive information, undoubted fidelity and integrity, as that venerable officer;—and I am exceedingly gratified that he has been prevailed upon to hold the office until most of the claims against the State for work done on the public roads and for injuries caused by the improvements of the river navigation, have been so far adjusted as not longer to require his val-

uable services. The duties of the Board of Internal Improvement have greatly diminished and may hereafter be discharged with equal safety to the public interest, without a continuance of the Board with all its officers, agents, and their salaries and contingent expenses. The superintendence of the public improvements, which now devolves upon the Board, might be entrusted to a Superintendent, to be appointed for that purpose and subject to the control of an advisory council, and liable at all times to be displaced when the public interest should require it. The regulation of the tolls on the river navigation might be entrusted to competent and discreet persons, selected in such manner as may be thought fit by the Legislature. And the books, papers and accounts of the Board might be transferred to the office of the First Auditor of Public Accounts, who might be required to perform the present duties of the Secretary of the Board, and in future to keep all the accounts. Should the entire Board and its offices be abolished as suggested, and some such provisions sent duties growing out of our public improvements might be faithfully discharged with a saving of near \$15,000 a year to the Treasury, or more than one-half the expense of the Board as at present constituted. Besides, under such a regulation, any further improvements in which the State might engage, could be carried on with equal convenience and safety.

It is, however, to be regretted that the finances of the State are not in a condition, at present, to admit of further improvements on the roads and rivers, without increasing the public debt, or producing additional taxation. The beneficial effects of the improvements already made must be evident to all, from the rapid and growing increase of the tolls received from the roads and river navigation. The stimulus given to commerce by the increased facility of transportation afforded by those improvements, has brought a nearer and better market to the people, roused their energies and encouraged their industry to greatly multiplied productions. These beneficial results would be further extended and more widely disseminated through the community by an extension of the improvements. Every additional Lock which may be constructed on the rivers would not only bring the benefits of the present navigation within the reach of an increased number of the people of the State, but would add to the profits of the State from the Locks and Dams already constructed. And if extended to the mountains, the improvements would lead to a rapid development of the resources of the State, and bring into profitable use the vast elements of wealth which, at present, lie dormant and scattered through those mountains and the surrounding country.

But reflections like these should not cause us to forget other objects equally entitled to consideration and regard. The past year is the first one, since the State embarked in internal improvements, in which the State has had the good fortune not only to prevent an accumulation of the public debt, but actually to reduce that debt several thousand dollars. The people of the State will hail this gratifying fact, and congratulate themselves that they have at last reached a turning point in their affairs and that henceforward they may look for a continual decrease, and finally a total discharge from their public debt. But this desirable state of things cannot be brought about if the State engage in new works of improvement, unless, at the same time, the necessary means are provided, without encroaching upon the present financial resources of the State.

In execution of an act of the last Legislature, I commissioned, in May last, Jos. R. Underwood and Sanford Duncan, Esqrs., to meet Commissioners appointed on the part of the State of Tennessee, and in conjunction with them, to run and re-mark parts of the boundary line between this State and Tennessee. Mr. Underwood, having been prevented by sickness from executing the trust, resigned his commission, and I appointed Constant A. Wilson, Esq., to supply his place. Messrs. Duncan and Wilson met the Commissioners appointed on the part of the State of Tennessee, and in conjunction with them, run and re-marked the line. A report made and signed by all of the Commissioners, has been forwarded to me and is transmitted herewith for the inspection of the Legislature. A statement of the services and expenses accompany the report, and it will be necessary for the Legislature to make a suitable appropriation for the payment of the Kentucky Commissioners. The act of the last Legislature, under which the work has been performed, is silent on the subject of compensation.

In conformity to an act of the 10th of February, 1845, the Commissioners of the Sinking Fund employed the Keepers of the Penitentiary to erect other buildings in that institution. The greater part of the work has been done, but a portion of it will not be completed before next season. So far as done, the work, I think, is well executed, and I entertain no fears as to the execution of that which remains to be done.

The Keepers have labored under many embarrassing difficulties since the institution came under their management, springing out of the burning of the interior buildings, and other causes. They sustained loss by the institution the first year, and I apprehend but little, if anything, will be realized by them the present year. But I have no reason to believe that better could have been done under all the circumstances. The institution seems to be well conducted, and I have full confidence in the ability and fidelity of the Keepers. The convicts are well fed, well clothed, and provided with comforts suitable to their condition. They are kept diligently employed, and display no rebellions or intractable disposition. None have escaped during the past year. The number of convicts in the Penitentiary, December 1, 1845, was one hundred and seventy-six—exceeding the number in the institution December 1, 1844, by twenty-five.

This increase in the number confirms me in the opinion expressed in my last message, that, at no distant time, it will become necessary to enlarge the outward walls of the Penitentiary—and I again suggest the propriety of providing for the purchase of additional ground for that purpose.

Other buildings, besides those now in progress of construction, will be needed to carry on, in a proper manner, the business of the institution; and their appropriate location greatly depends upon the determination of the Legislature in regard to enlarging the area of the prison yard.

Suit has been brought against the late Keeper of the Penitentiary and his securities, by the Attorney General, in accordance with the act of last Legislature; and, under an order of the Chancellor, the property which formed one of the subjects of contest, has been sold by a Commissioner appointed for that purpose. The sale was made on a credit of twelve months and amounts to about \$5,000, to be disposed of by the Court when the matters in contest are decided. The contest about this property prevented the present Keepers from the use of that amount of capital, which, by law, they were entitled to have furnished to them by the State; and it has put them to the necessity of supplying, with their own means, the necessary capital for carrying on the business of the institution. In their annual settlement with the Keepers, the Commissioners of the Sinking Fund did not consider themselves at liberty, nor were they urged by the Keepers, to take into consideration any claim which the Keepers may have against the State for indemnity, on account of their failure to get from the State the anticipated capital. That was deemed by the Commissioners, as well as the

Keepers, to be a subject more properly addressing itself to the Legislature, to whose consideration I now commend it. You will have more detail and full information as to the business and condition of the Penitentiary laid before you in the report of the Keepers.

I had hoped to be able to announce to you the favorable termination of the suit which was brought in the Court of Common Pleas, sitting as a Court of Equity, in the county of Philadelphia, State of Pennsylvania, by the Bank of Kentucky against the Schuylkill Bank, to be indemnified for the fraud of the latter in issuing stock of the former. The case was brought to a trial in November last, and I am informed by the President of the Bank of Kentucky was submitted to the Court, after occupying about three weeks in their arguments, in which, as well as in the preparation of the case, I am assured, the attorneys for the Bank of Kentucky, Messrs. Binney, Sergeant, Hubbell and Gerhard, discharged their duty with pre-eminent ability, fidelity and zeal. A decree favorable to the Bank of Kentucky is confidently anticipated, in the course of the present winter, by the President of the Bank. He thinks, however, that, owing to the insolvency of the defendants, there will not be realized by the Bank, under any decree which may be rendered, more than about \$500,000, although the parties engaged in the fraud obtained for the sale of the spurious stock over one million dollars. About one-third of this amount, I am informed, was used by the Cashier of the Schuylkill Bank for his individual purposes, and the other two-thirds by the Schuylkill Bank.

Thus you perceive that, if successful in obtaining a decree to the full extent of the loss occasioned by the fraud, the stockholders of the Bank of Kentucky must suffer a heavy loss. But it is gratifying to learn that, if successful to the extent anticipated only, the Bank will be in a condition to operate in future as usefully to the public and as profitably to the stockholders as if the fraud had never been perpetrated. The Bank has purchased since its last report, \$196,000 of the stock of the Bank, at from \$70 to \$75 per share, thereby reducing the over issue by the Schuylkill Bank to \$173,300.

The authority of the Bank of Kentucky, the Northern Bank of Kentucky and the Bank of Louisville, to issue notes of less denomination than five dollars is made, by an act of the 9th of March, 1843, to terminate on this day. In ordinary transactions those small notes answer useful purposes and are very convenient to the community, and I would suggest for your consideration whether the public interest would not be promoted by a further extension of the authority of the Banks to issue them.

Within the past year there has been an expansion of the paper circulation of the Banks, considerably above what it was at the meeting of the last Legislature. But I am assured that its continuance will be temporary only. It springs out of accommodations of the Banks upon real transactions, which were made with a view to facilitate the purchase of the agricultural products of the country, and will be brought back to something like its former amount, upon the return of the proceeds of sales, which have already been, or will shortly be made of the same products in other States. The expansion is not, however, beyond the ability of the Banks to meet, nor such as to affect their credit. According to their reports, which will be laid before you, the Banks were never in a better condition nor more entitled to the confidence of the community.

By an act of the 29th February, 1836, the superintendence and control of the affairs of the Old Bank of Kentucky and the disposition of its assets, were entrusted mainly to a Commissioner or agent appointed for the purpose. The Commissioner is entitled to compensation for his services, and authorized to rent an office and provide the necessary books, stationery and fuel, and charge the corporation with the amount thereof. The corporate character of the Bank and the authority of the Commissioner have been extended from time to time, and, unless further extended, will terminate the 10th of March next. The State is a large stockholder in that Bank, and, of course, has an interest in its assets and the final adjustment of its business. Understanding that it will require further time to wind up the concerns of the Bank, I commend the consideration of that subject to the Legislature. And in connection therewith, it may not be unworthy of consideration whether some more efficient and less expensive plan cannot be adopted to bring the business of the Bank to a final close.

This, it seems to me, might be done by transferring the books, papers and accounts of the Bank to the office of the First Auditor, and making it his duty to settle with the present Commissioner and do whatever else the Commissioner has authority to do. The Auditor, in the management of the business, might be subjected to the control of the Commissioners of the Sinking Fund. I name the First Auditor for this business, because all the accounts of the Sinking Fund are kept in his office and because the interest which the State has in that Bank has been appropriated to the Sinking Fund. If measures something like these be adopted, I feel sure that the business of the Bank may be brought to a close and the State realize whatever she may be entitled to from that source, at no distant day.

The task of procuring, noting in books kept for that purpose, and cancelling all the coupons, or interest warrants, which have been paid by the State on her bonds prior to January, 1845, imposed upon the Commissioners of the Sinking Fund by an act of the last Legislature, is one of great labor, and has not been finished. Such of the interest warrants as they have been able to procure have been assorted and noted in books, as required by the act, and the balance, when obtained, will be noted in like manner. The report of the Commissioners appointed to audit and settle the accounts of the Commissioners of the Sinking Fund, contains a statement of what coupons have and what have not been received by the Commissioners.

Whilst the character of the people of our State stands justly prominent for their devotion to the supremacy of the law and its due administration by the legally constituted authorities, it is to be regretted that in the course of the past year, we have had some outbreak. There was such evidence of insubordination and opposition to the execution of the law, in one portion of the State, as rendered it prudent and necessary to call into the service of the State a small military force, consisting of two companies. They were commanded by Col. Miller, acting under the immediate orders of Adjutant General Dudley, who was in personal attendance, in order to prevent violation and impose a due obedience to, and faithful execution of, the law. Both officers and men, I am happy to state, so discreetly executed this delicate trust as perfectly to quiet the high excitement that existed and safely to preserve the public peace from the blot of civil broils and bloodshed. I have been unable to find any satisfactory authority to pay the troops thus called into the service of the State, nor for the provisions necessarily provided for their subsistence whilst in service; and I would therefore invite the early attention of the Legislature to the subject, that provision may be made for the immediate payment of the small allowance to which they are entitled for the patriotic and important services they performed.

The report of the Superintendent of Public Instruction will present to you full information as to the operation of the act of the last Legislature upon the subject of Common Schools, and as to the

the establishment of an Academic Institute, under his own control, I take great pleasure in saying, that during his connection with the Faculty of Arts in Transylvania, he performed the duties of his Department, both as it regards instruction and government, with rare ability and success; and wherever he may go, I cheerfully recommend him to public confidence, as an able and indefatigable Teacher.

H. B. BASCOM,
President Transylvania University.

Lexington, Oct. 27, 1843.